

K22-068

**AMENDMENT NO. 8 TO AGREEMENT  
BETWEEN  
THE CITY OF NEW ORLEANS  
AND  
THE ORLEANS PARISH SHERIFF'S OFFICE  
AND  
WELLPATH LLC**

**THIS EIGHTH AMENDMENT** (the "**Amendment**") is entered into by and between the Orleans Parish Sheriff's Office, represented by the Honorable Marlin N. Gusman in his official capacity as Sheriff (the "**OPSO**"), the City of New Orleans, represented by LaToya Cantrell, Mayor (the "**City**" or "**CNO**"), and Wellpath LLC, a Delaware limited liability company authorized to do business in Louisiana, represented by Jorge Dominicus, Chief Executive Officer ("**Wellpath**" or the "**Contractor**"). OPSO, the City, and Contractor are sometimes collectively referred to as the "**Parties**." The Amendment is effective as of February 1, 2022 (the "**Effective Date**").

**RECITALS**

**WHEREAS**, effective March 1, 2016, the Parties entered into an Agreement for Inmate Health Care Services in Orleans Parish (the "**Agreement**");

**WHEREAS**, effective February 28, 2018, the Parties entered into an amendment to extend the term of the Agreement for 6 months through August 31, 2018 ("**Amendment No. 1**");

**WHEREAS**, on September 6, 2018, the Parties entered into an amendment to extend the term of the Agreement for 9 months through May 31, 2019 and to renew and update the terms and conditions to reflect current conditions ("**Amendment No. 2**");

**WHEREAS**, on and effective June 3, 2019, the Parties entered into an amendment to extend the term of the Agreement through August 31, 2019 and to renew and update the terms and conditions to reflect current conditions ("**Amendment No. 3**");

**WHEREAS**, effective September 1, 2019, the Parties entered into an amendment to extend the term of the Agreement through April 30, 2020 and to renew and update the terms and conditions to reflect current conditions ("**Amendment No. 4**");

**WHEREAS**, effective May 1, 2020, the Parties entered into an amendment to extend the term of the Agreement through January 31, 2021 and to renew and update the terms and staffing plan to reflect current conditions ("**Amendment No. 5**");

**WHEREAS**, effective February 1, 2021, the Parties entered into an amendment to extend the term of the Agreement through July 31, 2021 and to renew and update the terms and staffing plan to reflect current conditions ("**Amendment No. 6**");

**WHEREAS**, effective August 1, 2021, the Parties entered into an amendment to extend the term of the Agreement through January 31, 2022 and to renew and update the terms to reflect current conditions ("**Amendment No. 7**"); and

**WHEREAS**, the Parties, each having the authority to do so, desire to enter this Amendment to extend the term, effective February 1, 2022, for an additional four (4) months and

to modify the terms and conditions, as set forth hereinunder.

**NOW THEREFORE**, the Parties amend the Agreement as follows:

1. **Extension.** In accordance with Section 9.1 of the Agreement, the term is extended for an additional four (4) months from February 1, 2022 through May 31, 2022.

2. **Compensation/Adjustments.** The Agreement is amended by revising Section 8.0 Maximum Allowable Amount to increase the maximum aggregate amount by \$6,166,647 for a total amount not to exceed \$33,500,845, provided, however, that the Parties agree and acknowledge that the Contractor will operate under a maximum spending cap of \$5,903,988 except as otherwise set forth hereinunder in Section 8.2., as amended, and Exhibit "A" which is attached hereto and incorporated herein.

3. **New Budget Worksheet. Exhibit A – Budget Worksheet of the Agreement shall be replaced in its entirety with the Budget Worksheet attached as Exhibit A to this Amendment.**

4. **Pricing Reconciliation.** Section 8.2 of the Agreement is deleted in its entirety and replaced, as follows:

**8.2. Pricing Reconciliation.**

At the end of the term of this Amendment, the Parties will true-up the Pass-Through Costs for Wellpath's Operating Expenses, inclusive of Pharmacy. If the actual Pass-Through Costs for Operating Expenses exceed the budgeted Pass-Through Costs for Operating Expenses, then CNO shall pay Wellpath an additional amount not to exceed 5% of the budgeted Operating Expenses, as set forth in Exhibit "A", provided:

- a. Wellpath shall provide the CNO with written notice to CNO as soon as Wellpath reasonably believes that Wellpath will need to exceed the budgeted Operating Expenses after Wellpath executes this Amendment. The written notice shall, at a minimum, include an explanation of the line item(s) driving costs above the budgeted Operating Expenses, and an outline of any consequences that will result if the request is denied. The City shall consider the request in good faith and accept or deny the request within three (3) business days. The City shall not unduly withhold approval of the request and must explain in writing its reasons for denying the request if it chooses to do so.
  - b. Wellpath shall report its actual monthly Operating Expenses to CNO no later than fifteen (15) days after the end of each month with sufficient documentation to substantiate Wellpath's reported expenses.
- 8.2.1 If the aggregate actual Pass-Through Costs for Operating Expenses, inclusive of Pharmacy, are less than the aggregate budgeted Pass-Through Operating Expenses, inclusive of Pharmacy, Wellpath shall reimburse CNO one hundred percent (100%) of such savings.
- 8.2.2 All amounts due to either Party shall be payable within forty-five (45) days after the Wellpath sends to CNO the final true-up calculation, provided that the amounts are sufficiently substantiated, and all of the pre-requisite obligations are met.

5. **Additional Miscellaneous Provisions.** The following terms and conditions are reaffirmed and/or added to Section 11 of the Agreement:

**11.14 Convicted Felon Statement.** Contractor swears that it complies with City Code § 2-8(c). No Contractor principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public



records.

- 11.17 Amendments.** Any amendment or modification to Articles I, II (including Exhibit B) IV, or V shall require written consent of CCS and OPSO. Any amendment or modification to Articles VIII or IX (including Exhibit A) shall require the written consent of Contractor and CNO. Any amendment or modification to Articles III, VI, VII, X, or XI shall require the written consent of Contractor, OPSO, and CNO.
- 11.19 Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Amendment, but all of which, when taken together, shall constitute one and the same agreement.
- 11.23 Non-Solicitation Statement.** Contractor swears that it has not employed or retained any company or person, other than a bona fide employee working solely for it, to solicit or secure this Agreement. The Contractor has not paid or agreed to pay any person, other than a bona fide employee working for it, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from this Agreement.
- 11.26 Prior Terms Binding.** Except as otherwise provided by this Amendment, the terms and conditions of the Agreement, as amended, remain in full force and effect.
- 11.27 Electronic Signature and Delivery.** The Parties agree that a manually signed copy of this Amendment and any other document(s) attached to this Amendment delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment. No legally binding obligation shall be created with respect to a party until such party has delivered or caused to be delivered a manually signed copy of this Amendment.
- 11.28 Living Wage.**
- A. Definitions.** Unless otherwise expressly provided in this Agreement, Capitalized terms used but not defined in this Section 8, shall have the definition attributed to them in Article VIII, Section 70-802 of the City Code.
  - B. Compliance.** Contractor agrees to comply with all applicable law, including but not limited to, City Code Sections 70-801, et seq., which requires, in pertinent part, the following:
    - i. Payment of an hourly wage to Covered Employees equal to the amounts defined in the City Code (“Living Wage”);
    - ii. Receipt of at least seven (7) days per year of compensated leave for Covered Employees, as required by Section 70-807 of the City Code; and
    - iii. Post notice in a prominent place regarding the applicability of the Living Wage Ordinance in every workplace in which Covered Employees are working that is within the Covered Employer's custody and control, as required by Section 70-810 of the City Code.
  - C. Living Wage.** In accordance with the Living Wage Ordinance, Living Wage shall be as follows:

- i. \$13.25 per hour for any work performed on or before December 31, 2022;
  - ii. \$15.00 per hour for any work performed on or before December 31, 2023; and
  - iii. \$15.00 per hour plus any adjustment provided in subsection D below for any work performed during calendar year 2024 or thereafter.
- D. Adjusted Living Wage. In accordance with Section 70-806(2) of the City Code, the Living Wage shall be annually adjusted for inflation, as defined by the Consumer Price Index calculated by the U.S. Bureau of Labor Statistics as applied to the South Region, except that in no instance shall the Living Wage be adjusted downward. The first adjustment shall become effective on January 1, 2024 using the Consumer Price Index figures provided for the preceding year, and thereafter on an annual basis.
- E. Subcontract Requirements. As required by Section 70-804 of the City Code, the Contractor, beneficiary, or other Covered Employer, prior to entering into a subcontract, shall, to the extent required under applicable law, notify subcontractors in writing of the requirements and applicability of Article VIII – The Living Wage Ordinance (“Article”). City contractors and beneficiaries shall be deemed responsible for violations of this Article by their subcontractors in accordance with, and as expressly set forth in, the Article.
- F. Reporting. On or before January 31st and to the extent required under the Article, upon request by the City, the Contractor shall identify (a) the hourly wage earned by the lowest paid Covered Employee and (b) the number of days of compensated leave received by Covered Employees earning less than 130% of the then-prevailing wage during the current term of the Agreement, and provide the identified information to the following:

Office of Workforce Development  
Living Wage - Compliance  
1340 Poydras Street – Suite 1800  
New Orleans, Louisiana 70112
- G. Compliance Monitoring. To the extent applicable under the Article, Covered Employers under this Agreement are subject to compliance monitoring and enforcement of the Living Wage requirements by the Office of Workforce Development (the “OWD”) and/or the Chief Administrative Office (“CAO”). Covered Employers will cooperate fully with the OWD and/or the CAO and other City employees and agents authorized to assist in the administration and enforcement of the Living Wage requirements to the extent applicable to Contractor and required under the Article. Steps and actions include, but are not limited to, requirements that: (i) the Contractor will cooperate fully with the OWD and the CAO and other City employees and agents authorized to assist in the administration and enforcement of the Living Wage requirements; (ii) the Contractor agrees that the OWD and the CAO and their designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, payroll records and employee paychecks; and (ii) that the City may audit such records of the

Contractor as he or she reasonably deems necessary to determine compliance with the Living Wage standards, all to the extent applicable to Contractor under the Article.

- H. Remedies.** If the Contractor fails to comply with the applicable provision of the Living Wage requirements of the Article during the term of the Agreement, said failure may result in termination of the Agreement or the pursuit of other remedies by the City, including, but not limited to, the penalties and enforcement mechanisms set forth in Section 70-811 of the City Code.

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**[SIGNATURES CONTAINED ON NEXT PAGE]**



IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, execute this Amendment.

CITY OF NEW ORLEANS

BY:   
LATOYA CANTRELL, MAYOR

Executed on this 26 of February, 2022.

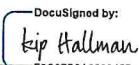
FORM AND LEGALITY APPROVED:

Law Department

By: 

Printed Name: Tracy Tyler

WELLPATH LLC

BY:   
DocuSigned by:

KIP HALLMAN, PRESIDENT

ORLEANS PARISH SHERIFF'S OFFICE

BY: \_\_\_\_\_  
HONORABLE MARLIN N. GUSMAN, SHERIFF

**EXHIBIT A**

<b><u>Line Item / Category</u></b>	<b>Budget</b>	<b>Maximum Payable with CNO Authorization</b>
<u>Management Fee</u>	<b>\$650,816</b>	<b>\$650,816</b>
<u>Operating Expense (Inclusive of Pharmacy)</u>	<b>\$5,253,172</b>	<b>\$5,515,831</b>
<b><u>Total</u></b>	<b>\$5,903,988</b>	<b>\$6,166,647</b>